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The Director of Central Intelligence  
Washington, D. C. 20505

17 May 1986

Dear Cap,

Pursuant to our phone conversation here is an original draft of the NSDD. It is too weak, stresses only that a flawed agreement would hurt us in getting the Congress to renew support to the contras and ignores the jeopardy it would inflict on our security position in the hemisphere.

It deals only with the Contadora process and leaves all the action with the Secretary of State and the Secretary of the Treasury on economic policy measures. It fails to deal at all with defense policy implication or with the President's reiteration at the meeting of the need to maintain the contras until the Nicaraguan people have a voice in the country's affairs.

Yours,

William J. Casey

Enclosures:  
As stated

The Honorable Caspar W. Weinberger  
Secretary of Defense  
Washington, D.C. 20301

cc - Under Secretary of Defense  
for Policy

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hand delivered to Secretary Weinberger at his  
residence - 5/17

copy also hand delivered to Dr. Ikle at his  
residence - 5/17

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**NATIONAL SECURITY COUNCIL**  
WASHINGTON, D.C. 20505

**SYSTEM II**  
**90382**

**VIA LDX**

**May 16, 1986**

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**MEMORANDUM FOR MR. NICHOLAS PLATT**  
Executive Secretary  
Department of State

**COLONEL DAVID R. BROWN**  
Executive Secretary  
Department of Defense

**Executive Secretary**  
**Central Intelligence Agency**

**REAR ADMIRAL JOHN BITOFF**  
Executive Assistant to the Chairman  
Joint Chiefs of Staff

**SUBJECT: NSDD - Central America (S)**

Attached for your review is a draft NSDD. Please provide your comments by opening of business Monday, May 19, 1986. In order to prevent unauthorized disclosure of this document, the NSC requests that the draft NSDD be closely held. (S)

  
**Rodney B. McDaniel**  
Executive Secretary

**Attachment**

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**Declassify On: OADR**

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THE WHITE HOUSE  
WASHINGTON

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National Security Decision  
Directive Number

CENTRAL AMERICA: U.S. POLICY ON THE SEARCH FOR A  
NEGOTIATED SOLUTION

As stated in NSDD-124 of February 7, 1984, it is an objective of the United States in Central America to seek the resolution of regional disputes and conflicts through dialogue and the achievement through negotiations of political settlements with verifiable agreements. The National Security Planning Group meeting of May 16, 1986 reaffirmed that our objectives in Nicaragua are the following:

- (1) Implementation of the democratic commitments made by the Sandinistas to the OAS in 1979;
- (2) Termination of Nicaragua's support to Marxist/Leninist subversion and guerrilla activity in any foreign country;
- (3) Removal of Soviet bloc/Cuban personnel and an end to Nicaraguan military cooperation with communist countries;
- (4) Reduction in the Sandinista military apparatus to parity within the region. (S)

The NSPG reviewed recent developments in the Contadora negotiations and other diplomatic fora. It was agreed that the deadline of June 6, 1986, which the Contadora Group has set for signing of a treaty, has created a volatile situation, with possible negative consequences for U.S. policy. U.S. policy would be seriously damaged by an outcome in which the five Central American countries sign an agreement which fails to implement the above stated objectives in a comprehensive package with concrete, verifiable provisions that do not allow Nicaragua to circumvent its commitments. A flawed treaty, particularly one which did not provide concrete mechanisms for verifying compliance with commitments for national reconciliation and democratization, could fatally undermine congressional support for assistance to the Nicaraguan democratic resistance while failing to ensure that Nicaragua would implement its internal political commitments. (S)

The NSPG took note that the governments of Honduras, El Salvador and Costa Rica are now supporting a Contadora treaty draft which provides for strong measures, with a good verification system, to deal with our security objectives in Nicaragua, including reduction of the Nicaraguan military apparatus and continued ability

SECRET/SENSITIVE

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- 2 -

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to conduct joint US/Central American military exercises as required. However, the treaty version supported by our Central American friends does not contain a reliable verification system for ensuring Nicaraguan compliance with the treaty's internal political commitments. (S)

Therefore, the following measures are approved concerning U.S. policy toward negotiations which seek to resolve the conflict in Central America:

The Secretary of State should pursue the following objectives and actions:

-- With Respect to the Contadora Process:

- (1) Continue efforts to encourage the governments of Honduras, El Salvador, Costa Rica and Guatemala to insist that a Contadora treaty must achieve the political and security objectives defined in the Contadora Document of Objectives, with emphasis on the need for a comprehensive package in which all commitments are simultaneously implemented, with concrete verification procedures to ensure compliance.
- (2) State to the presidents of the four Central American democratic countries our serious concern that their governments are now supporting a draft treaty which does not provide for clearly verifiable implementation by the Government of Nicaragua of national reconciliation and democratization, which must include full political participation by the internal and external opposition. Strongly urge the four presidents to insist that a clear timetable for implementation of political commitments be inserted or annexed to the Contadora treaty.
- (3) State to the governments of the Contadora and Support Group countries our strong support for the security provisions advocated by the Central American democracies and concern with the shortcomings in all existing treaty drafts concerning implementation of political commitments.
- (4) In coordination with the Secretary of the Treasury, review and recommend economic policy measures which could be taken to influence the Central American policy of the Contadora and Support Group countries. An action plan on these measures should be provided for review by the NSPG by May 23, 1986.
- (5) In coordination with the Director of the USIA, devise a public diplomacy strategy to support the negotiating position adopted by the Central American democracies.

SECRET/SENSITIVE

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SECRET/SENSITIVE

- 3 -

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- (6) In public statements and in briefings to Congress, state that the U.S. will support an agreement which meets our objectives, as stated above, but that the U.S. would not consider itself bound to support an agreement which fails to achieve in a verifiable manner the agreed objectives of the Contadora process.
- (7) Educate the Congress and public concerning the provisions of the Contadora treaty draft supported by the Central American democracies, making particular note of the fact that the treaty would not require any actions to be taken on signature, only on ratification by all five parties. Congress should be informed that this implementation schedule would also apply to assistance to the Nicaraguan resistance; any termination of assistance prior to ratification would not be required and would be contrary to the fundamental principle of simultaneity. (S)

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SECRET/SENSITIVE

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As stated in NSDD-124 of February 7, 1984, it is an objective of the United States in Central America to seek the resolution of regional disputes and conflicts through dialogue and the achievement through negotiations of political settlements with verifiable agreements. The National Security Planning Group meeting of May 16, 1986 reaffirmed that our objectives in Nicaragua are the following:

- (1) Implementation of the democratic commitments made by the Sandinistas to the OAS in 1979;
- (2) Termination of Nicaragua's support to Marxist/Leninist subversion and guerrilla activity in any foreign country;
- (3) Removal of Soviet bloc/Cuban personnel and an end to Nicaraguan military cooperation with communist countries;
- (4) Reduction in the Sandinista military apparatus to parity within the region. (S)

The NSPG reviewed recent developments in the Contadora negotiations and other diplomatic fora. It was agreed that the deadline of June 6, 1986, which the Contadora Group has set for signing of a treaty, has created a volatile situation, with possible negative consequences for U.S. strategic interests and policy objectives. U.S. interests and objectives would be seriously damaged by an outcome in which the five Central American countries sign an agreement which fails to implement the verifiable provisions that do not allow Nicaragua to circumvent its commitments. A flawed treaty, particularly one which did not provide concrete mechanisms for assuring and verifying compliance with commitments for national reconciliation and democratization, could facilitate the consolidation of a Marxist/Leninist regime in Nicaragua and jeopardize U.S. security interests in the hemisphere. (S)

The NSPG took note that the governments of Honduras, El Salvador and Costa Rica are now supporting a Contadora treaty draft which provides for strong measures, with a good verification system, to deal with our security objectives in Nicaragua, including reduction of the Nicaraguan military apparatus and continued ability to conduct joint U.S./Central American military exercises as required. However, the treaty version supported by our Central American friends does not set specific steps to achieve a reliable verification system or contain a specific timetable for ensuring Nicaraguan compliance with the treaty's internal political commitments. (S)

SECRET/SENSITIVE

S E C R E T

SECRET/SENSITIVE

- 2 -

Therefore, the Secretary of State should pursue a negotiations strategy designed to achieve our Nicaraguan objectives as previously stated. To this end, he should undertake the following actions:

- (1) Continue efforts to encourage the governments of Honduras, El Salvador, Costa Rica and Guatemala to insist that a Contadora treaty must achieve the political and security objectives defined in the Contadora Document of Objectives, with emphasis on the need for a comprehensive package in which all commitments are simultaneously implemented, with concrete verification procedures to ensure compliance.
- (2) State to the presidents of the four Central American democratic countries our serious concern that their governments are now supporting a draft treaty which does not provide for clearly verifiable implementation by the Government of Nicaragua of national reconciliation and democratization, which must include full political participation by the internal and external opposition. Strongly urge the four presidents to insist that a clear timetable for implementation of political commitments be inserted or annexed to the Contadora treaty.
- (3) State to the governments of the Contadora and Support Group countries our strong support for the security provisions advocated by the Central American democracies and concern with the shortcomings in all existing treaty drafts concerning implementation of political commitments.
- (4) In coordination with the Secretary of the Treasury, review and recommend economic policy measures which could be taken to influence the Central American policy of the Contadora and Support Group countries. An action plan on these measures should be provided for review by the NSPG by May 23, 1986.
- (5) In coordination with the Director of the USIA, devise a public diplomacy strategy to support the negotiating position adopted by the Central American democracies.
- (6) In public statements and in briefings to Congress, state that the U.S. will support an agreement which meets our objectives, as stated above, but that the U.S. would not consider itself bound to support an agreement which fails to achieve in a verifiable manner the agreed objectives of the Contadora process.
- (7) Educate the Congress and public concerning the provisions of the Contadora treaty draft supported by the Central American democracies, making particular

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S E C R E T

SECRET/SENSITIVE

- 3 -

note of the fact that the treaty would not require any actions to be taken on signature, only on ratification by all five parties. Congress should be informed that this implementatin schedule would also apply to assistance to the Nicaraguan resistance; any termination of assistance prior to ratification would not be required and would be contrary to the fundamental principle of simultaneity. (S)

- (8) In coordination with the Secretary of Defense and the Director of CIA, review and recommend alternative means of obtaining our security objectives in Nicaragua should the Contadora process fail to achieve a satisfactory treaty by 6 June 1986.

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